FOCUS ON THE FISC

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INSIDE THIS ISSUE

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FROM THE DESK OF THE FISCAL OFFICER

Your Legislative Fiscal Office is pleased to present the latest edition of Focus on the Fisc. We hope you enjoy it and encourage feedback.

This issue focuses on the FY 15 Executive Budget Recommendation that was presented to the JLCB in January 2014. Please be aware that these items are only a handful of FY 15 budget issues our office is currently reviewing and analyzing. However, this edition of the Focus on the Fisc does provide you with a brief look of some of the major issues contained in the FY 15 budget and our preliminary analysis of such topics.

As is the case every year, the LFO is in the process of completing our thorough analysis of the FY 15 Executive Budget and our booklet of information will be made available to members of JLCB and available online on our website in early March. The booklet will lists major programmatic increases/enhancements, reductions and mean of finance swaps that compare funding in the original bill with budgeted amounts from the current fiscal year. Also included will be a listing of significant budgetary issues. This information will be updated as the major money bills move through the legislative process. Our booklet will be made available in advance of House Appropriations Committee hearings on HB 1.

Due to the upcoming legislative session, this will be our last newsletter of FY 14. Look for our next newsletter in Summer 2014.

John D. Carpenter

FOCUS POINTS

Medicaid Trust Fund for the Elderly
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The Medicaid Trust Fund for the Elderly (MTFE) contains non recurring revenues (with the exception of any interest earned on the corpus of fund revenues) that are utilized for nursing home provider payments as authorized under R.S. 46:2691. The revenues deposited in the fund were initially generated through an intergovernmental transfer (IGT) in which non state public nursing homes provided a state match source to pull down federal matching funds for Medicaid supplemental payments (Upper Payment Limit reimbursement) for eligible expenses in these facilities. State Treasury fund balance documents reflect initial federal receipts of $306 M deposited into the fund in 2001, and reflect total federal receipts in excess of $800 M deposited into the Medicaid Trust Fund for the Elderly from multiple IGT's (not including interest on the corpus of the fund). Specifically, these Statutorily Dedicated revenues are used for annual nursing home rate rebasing, or recalculation of the per day rate paid to certain nursing facilities for Medicaid patients.

FY 15 MTFE Allocation:
The FY 15 Medicaid budget contains $232,916,144 in Statutory Dedicated revenue from the Medicaid Trust Fund for the Elderly. These funds, in addition to other revenue sources allocated for nursing home payments, are used as a state match source to draw federal financial participation. In FY 15, these statutory dedication revenues will draw approximately $380.9 M in federal matching funds.

MTFE Fund Balance:
Based on the FY 15 level of revenue appropriated from the Medicaid Trust Fund for the Elderly (including historical interest

earnings on the fund), the corpus of the MTFE will be almost entirely depleted. In the absence of another IGT program or other funding mechanism generating non state revenue to the fund, significant state general fund support will be required in FY 16 and future fiscal years for nursing home payments and annual increases in the nursing home rates (rate rebasing). The remaining balance of the fund for FY 16 will depend on investment income earnings on the corpus of the fund. As the fund is liquidated, interest earnings are not projected to be earned at the historical level of earnings (see interest earnings below). The projected MTFE fund balances (from state treasury fund statements) and historical investment earnings are reflected below.

$410,860,765	FY 14 beginning MTFE fund balance *(State Treasury Fund Statement)*
($183,505,794)	FY 14 MTFE allocation for nursing home payments
$227,354,971	**FY 15 balance *(not including interest or capital gain earnings or any State Treasury costs for operating the fund)***

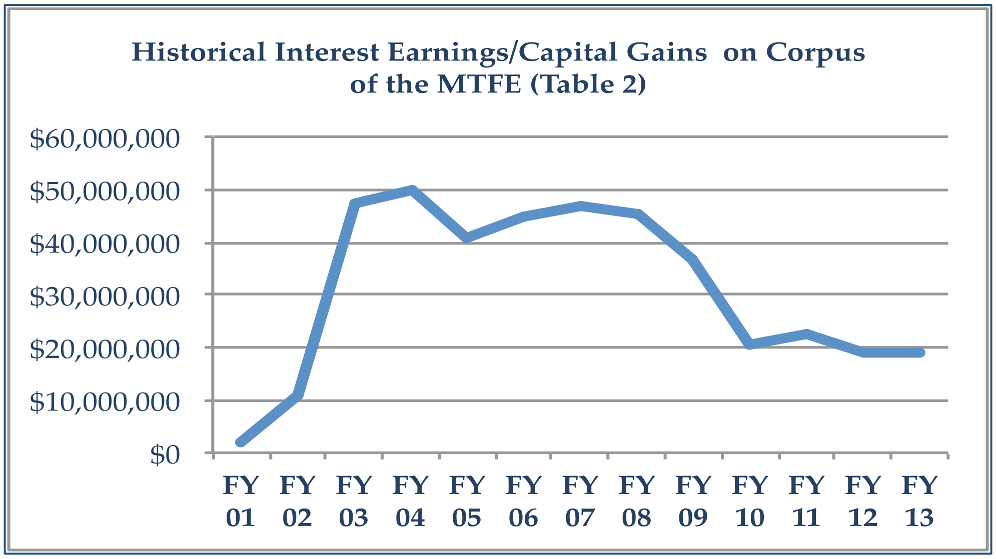
**Information reflected in treasury fund statements indicates approximately $6.7 M in FY 14 investment earnings through January 2014. See Table 2 for a graphical view of the information presented above.*

Based on the FY 15 allocation of revenues from the MTFE, investment earnings in FY 14 to date (trended forward), and assuming investment earnings decreasing annually due to the corpus of the fund decreasing (as reflected in the investment earnings table 1 & 2), the MTFE fund balance will be effectively eliminated for FY 16.

TABLE 1

Fiscal Year	Investment Income
2007	$46.7
2008	$45.1
2009	$36.7
2010	$20.4
2011	$22.6
2012	$18.8
2013	$18.9
2014*	$6.7

**Earnings through FY 14*



Statewide IT Consolidation
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Included within the FY 15 Executive Budget are various adjustments to state agencies related to state IT consolidation initiatives. Based upon these budget adjustments, statewide IT consolidation will result in a statewide SGF savings of at least $22.8 M, a total position reduction of 62 (55 TO positions, 1 Non-TO position & 6 Other Charges positions) and the transfer of 878 TO positions and 9 Other Charges positions from various state agencies into the newly created Office of Technology Services (OTS, 21-815), an ancillary agency contained in the ancillary appropriations bill. According to the Division of Administration (DOA), these 62 positions are currently vacant. The $22.8 M in savings is a result of consolidation of software licenses, hardware maintenance agreements, and staff augmentation contract services, which will result in various savings to professional services and operating services expenditures. *Note: The LFO has requested the DOA provide the specific dollar amount associated with the 62-position reduction. Thus, the total state savings as a result of the consolidation is likely in excess of $22.8 M.*

As mentioned above, the FY 15 Executive Budget transfers 878 TO positions from various state agencies to the OTS. OTS will be the central procurement and provisioning agency for all technology goods and services. Table 3 (page 3) shows the state agencies and number of TO positions being moved into the OTS. The new OTS agency's FY 15 budget is $280 M IAT revenue from these various state agencies. According to the DOA, the original source of funds being utilized by the various state agencies is as follows: $65.2 M SGF, $24.1 M IAT, $49.7 M SGR, $48.6 M statutory dedications, $71.4 M federal funds. Overall, instead of the impacted state agencies funding their IT expenditures with salaries/related benefits for IT employees and/or professional services for IT contracts, these state agencies will be "invoiced" for IT services provided by OTS.

According to the DOA, in future fiscal years there will likely be additional position reductions associated with this initiative as greater economies of scale are realized in various state agencies as non-IT positions doing indirect IT work may no longer be needed due to the creation of OTS.

TABLE 3

FY 15 EXECUTIVE BUDGET ADJ		
Dept	SGF Impact	TO
01-EXEC	$24,519,637	(202)
03-VETS	($19,250)	0
05-LED	($661,130)	(2)
07-DOTD*	$0	(114)
08-CORR	($5,453,734)	(36)
08-DPS*	$0	(132)
08-OJJ	($721,876)	(5)
09-DHH	($26,768,233)	(48)
10-DCFS	($9,638,109)	(112)
11-DNR	($592,083)	(55)
12-REV*	$0	(80)
14-WORK*	$0	(44)
16-WLF*	$0	(10)
17-CIVIL	($400,048)	(4)
19-DOE	($3,064,496)	(34)
21-815 OTS	***$0***	*878*
TOTAL	**($22,799,322)**	**0**
21-815 Other Charges Positions		*9*
Total OTS Positions		**887**

**As a result of the IT Consolidation, these state agencies are still transferring TO positions to the new OTS, but are not being reduced any funding. Whatever FY 14 IT expenditures are currently within these state agencies will be paid to OTS as the new provider of these services.*

Although OTS's FY 15 budget is $280 M, the agency is anticipated to collect $258.9 M in revenues in FY 15. According to the DOA, the $22 M of excess OTS budget authority is being set aside in case other state agencies (boards & commissions, elected officials, etc.) decide to utilize the IT services being offered by OTS in FY 15. In addition, the DOA is currently considering filing legislation to officially create the OTS. *Note: Due to language contained in Act 14 (current year budget), any FY 14 budgetary savings as a result of IT consolidation initiatives will likely be processed via in-house BA-7s. To date, no BA-7s have been approved and processed.*

As has been discussed in previous editions of *Focus on the Fisc*, the DOA issued an RFP for a vendor to provide consulting and IT technology policy, planning and transformation initiatives. The DOA announced in September 2013 that Deloitte Consulting was selected and the contract period is from 11/11/2013-2016 and not to exceed $975,000. Based upon discussions with the DOA and review of the draft contract, Deloitte Consulting will study the state's current IT infrastructure, framework and current statewide IT costs and provide the DOA with a recommended plan for a new consolidated model for delivery of state IT services. The current FY 15 Executive Budget recommendations represent some of the recommendations provided to the DOA by the vendor. The consulting contract includes 2 distinct parts: IT Planning Services ($650,000) and Staff Augmentation Services (up to $325,000).

GENERAL GOVERNMENT

FY 15 Overcollections Fund & SGF Surplus Funds

J. Travis McIlwain, Gen. Govt. Section Director, mcilwait@legis.la.gov

Note: Due to the 2014 RLS Funds Bill not being filed yet, the analysis below is based solely on the information presented by the Division of Administration (DOA) to the Revenue Estimating Conference (REC) at its January 15, 2014 meeting and the DOA's FY 15 Executive Budget Presentation and documents.

State Agency (Table 4)	FY 15 Overcollections
Elderly Affairs	$6,521,928
State Library	$1,400,000
DHH	$186,421,281
Higher Education	$39,075,948
Dept. of Education	$4,000,000
TOTAL	**$237,419,157**

The FY 15 budget provides for total Overcollections Fund monies in the amount of $237.4 M. See table 4 for a complete listing of state agencies funded with these resources. As presented by the Division of Administration (DOA) to the REC at its January 15, 2014 meeting, the various anticipated sources that will fund the Overcollections FY 15 budgeted amount are shown in table 5 on the next page.

As presented in table 5 on the next page, all other Overcollections Fund resources above the $237.4 M currently included within the FY 15 budget will be utilized on constitutionally allowable items for REC deemed non-recurring resources. Those items include: $210 M debt defeasance, $51 M Coastal Protection & Restoration Fund, $25 M Budget Stabilization Fund and $14 M Unfunded Accrued Liability. In addition to the $237.4 M of Overcollections Fund resources in the budget, there is approximately $181 M of prior year budget surplus dollars that are utilized in the building of the FY 15 budget. ***Essentially, of the total $514 M of resources available, $447 M play a role in the creation of the FY 15 Executive Budget, while the remaining $67 M are being utilized in other areas ($14 M – UAL, $25 M – Rainy Day Fund, $28 M – FY 14 Supplemental Needs).***

**The FY 13 operating budget was supported by approximately $58.6 M of rescinded SGF recurring and non-recurring capital outlay projects. Of this total amount, Act*

Debt Defeasance as a SGF Revenue Source

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Included in the FY 15 Executive Budget is the one-time availability of $210 M in SGF due to a one-year retirement or defeasance of bonds in advance or in addition to the existing amortization requirements of the state (defeasance). This is essentially a dollar-for-dollar prepayment of FY 15 debt service. The prepayment, which must be completed by the end of FY 14, will allow the prepaid SGF debt service to be available for other uses in FY 15. Using this mechanism, any funds used to pay for the defeasance in FY 14 become spendable as SGF in FY 15. However, since $210 M must be deposited into an escrow fund with a trustee by 6/30/14, cash must be on hand in time to accommodate the defeasance.

Defeasance is an allowable use of non-recurring funds according to the Constitution (Art 7, Sec 10(D)(2)(a)) as long as the debt, including premium and interest, is not payable by the state during that year. Because the defeasance only addresses FY 15 debt service *(continued on page 4)*

597 of 2012 RLS transfers $20,104,310, which is the remaining portion of rescinded Non-Recurring SGF resources, to the Coastal Protection & Restoration Fund. This transaction allows the same amount of recurring revenue flow to be transferred from this fund to the SGF. This transaction never happened due to the legal interpretation by State Treasury of Section 9 of Act 597 of 2012 RLS. It is the LFO's understanding that Section 9 of Act 597 will be amended in the 2014 RLS funds bill when it is filed. Amending this section will allow State Treasury to transfer these funds and ultimately result in allowing the legislature to appropriate the $20,104,310.

***Depositing non-recurring funds into the Coastal Protection & Restoration Fund is an eligible use of non-recurring revenue. However, there will likely be language in the 2014 RLS funds bill that ultimately allow this $51 M fund deposit to be utilized in the FY 15 operating budget.* Tables 6 and 7 show these resources delineated by non-recurring and recurring resource and how such resources will be utilized in either FY 14 or in FY 15. <u>**In addition, see page 13 of the newsletter for a complete flow chart of how the resources depicted in the tables below are being utilized**</u>.

payments, this frees up SGF revenue available in FY 15.

From the FY 15 Executive Budget presentation, there are a number of possible pools of money available to pay the defeasance. Some of the potential pools of funds that could be utilized are listed in Table 5 contained in the *FY 15 Overcollections Fund & SGF Surplus Funds* article.

Use of Anticipated Overcollections Fund Resources & Prior Year SGF Surpluses (in millions) (Table 5)	
REVENUES:	
$31	Various Funds Sweeps
$106	Pharmaceutical settlements
$9	Interest from settlements
$4	Excess SGR (DOA)
$7	Sinking Fund for equipment purchases
$25	Office Facilities Corporation Bond Refunding
$20	Risk Mgmt. Insurance Proceeds
$12	SGF Reversions
$50	New Orleans Convention Center
$32	Revenue Fraud Initiatives
$27	LA Housing Corporation
$10	Debt Recovery
$333	**TOTAL DOA Anticipated Overcollections Fund Resources**
$161	FY 13 Prior Year Surplus
$20	FY 12 Rescinded SGF Surplus Capital Outlay Projects*
$181	**TOTAL SGF Prior-Year Surplus Cash on-hand**
$514	**REVENUES GRAND TOTAL**
EXPENDITURES:	
$14	UAL
$25	Budget Stabilization Fund (Rainy Day Fund)
$51	Coastal Protection & Restoration Fund/FY 15 Budget**
$28	FY 14 Supplemental Bill
$186	FY 15 Executive Budget
$210	Debt Defeasance
$514	**TOTAL Anticipated Use of Funds**

Non-Recurring Resources (Table 6)	
$119	FY 15 Overcollections Fund Revenues
$161	FY 13 Prior Year SGF Surplus
$20	FY 12 Rescinded SGF Surplus (capital outlay)
$300	**TOTAL Non-Recurring Resources**
$14	UAL
$25	Budget Stabilization Fund
$51	Coastal Restoration & Protection Fund
$210	Debt Defeasance
$300	**TOTAL Non-Recurring Expenditures**

Recurring Overcollections Fund Resources (Table 7)	
$214	FY 14 Overcollection Fund Revenues
$214	**TOTAL FY 14 Overcollection Fund Revenues**
$28	FY 14 Supplemental Needs
$186	FY 15 Executive Budget
$51	FY 15 Executive Budget via Coastal Fund
$265	**TOTAL FY 14 & FY 15 Overcollections Fund Expenditures**
	Total Overcollections Fund Expenditures by FY
$28	FY 14
$237	FY 15
$265	**TOTAL**

How the FY 15 Continuation Budget Problem Was Solved

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At the January 2014 Joint Legislative Committee on the Budget (JLCB), the Division of Administration (DOA) presented the FY 15 Continuation Budget with a projected SGF imbalance of approximately $604.7 M ($604,667,584).

The Continuation Budget is a planning tool that compares projected SGF revenue with projected SGF expenditures necessary to sustain the current year's state operations and service delivery (FY 14) in subsequent fiscal years (FY 15 – FY 18). Projected SGF expenditures attempt to account for employee payroll growth, general and medical inflation, changes in program utilization, funding mandates and changes in federal financing availability. This is not the budget goal for the ensuing fiscal years, and not all of these adjustments are funded each year. However, the continuation budget exercise provides the SGF dollar equivalent of funding decisions the legislature must make to continue the current slate of state government operations, activities and services. The Executive Budget proposal is ultimately the budget goal and incorporates those portions of continuation costs that are supported by the administration as well as any number of administration budget initiatives not contained in the continuation budget exercise. In each fiscal year until the Executive Budget proposal is submitted, the ensuing year's budget is discussed in continuation budget terms.

The LFO compared various budgetary adjustments presented in the FY 15 Continuation Budget, presented in

January 2014, and the FY 15 Executive Budget Recommendation, presented at the same time. Below is a summarized list of SGF decisions that were included in the FY 15 Continuation Budget, but were ultimately not funded with SGF in the FY 15 Executive Budget Recommendation. The list includes SGF decisions made by the administration to close the projected $604.7 M imbalance of SGF.

Summary Table (Table 8)	FY 15 Cont.	FY 15 Exec. Bud	Difference
SGF Revenues	$8,617,600,000	$8,617,600,000	$0
Total Revenue	**$8,617,600,000**	**$8,617,600,000**	$0
Expenditures:			
General Appropriations	$8,571,562,205	$8,170,776,628	($400,785,577)
Ancillary Appropriations	$0	$0	$0
Non-Appropriated	$410,220,531	$230,220,531	($180,000,000)
Legislative Appropriations	$69,306,971	$69,263,933	($43,038)
Judiciary Appropriations	$147,392,479	$147,338,908	($53,571)
Capital Outlay	$0	$0	$0
Special Acts	$23,785,398	$0	($23,785,398)
Total Expenditures	**$9,222,267,584**	**$8,617,600,000**	**($604,667,584)**
Projected Balance	**($604,667,584)**	**$0**	**$604,667,584**

Note: R.S. 39:2(11) defines Continuation budget as follows: "Continuation budget" means that funding level for each budget unit which reflects the financial resources necessary to carry on all existing programs and functions of the budget unit at their current level of service in ensuing fiscal year including any adjustments necessary to account for the increased cost of services or materials due to inflation and estimated increases in workload requirements resulting from demographic or other changes. See tables 8 and 9 that summarize the various budgetary adjustments made by the DOA in preparing the FY 15 Executive Budget, which eliminated the $604.7 M SGF projected SGF imbalance.

Adjustment Summary (Table 9)	5-YEAR ADJ	FY 15 Exec Budget ADJ	Difference
Annualized Merits	$9,312,027	$0	($9,312,027)
New Merits	$29,201,186	$26,520,407	($2,680,779)
Retirement Adj.	$29,687,355	$35,551,933	$5,864,578
Group Insurance Adj	$8,531,350	$4,546,508	($3,984,842)
Attrition	$0	($16,682,629)	($16,682,629)
Personnel Reductions	($1,766,168)	($12,745,602)	($10,979,434)
Inflation	$81,473,901	$0	($81,473,901)
Various MOF Swaps for SGF	$425,801,018	$169,271,401	($256,529,617)
Other Miscellaneous Statewide Adj.	($4,675,682)	$8,434,424	$13,110,106
New & Expanded Programs	$0	$39,024,052	$39,024,052
Various Other SGF Adj.	$178,834,608	$109,857,672	($68,976,936)
Various Other Annualized Adj.	$9,763,124	$6,903,607	($2,859,517)
Non-Recur Other/Technical Adj.	($16,464,680)	($10,481,752)	$5,982,928
Various Workload Adj.	$47,288,967	$46,731,408	($557,559)
Executive Order BJ 2014-1	$0	($4,612,007)	($4,612,007)
Non-Appropriated GO Debt Service	($6,215,881)	($216,215,881)	($210,000,000)
TOTAL	**$790,771,125**	**$186,103,541**	**($604,667,584)**

Office of Group Benefits (OGB) 5% Premium Increase

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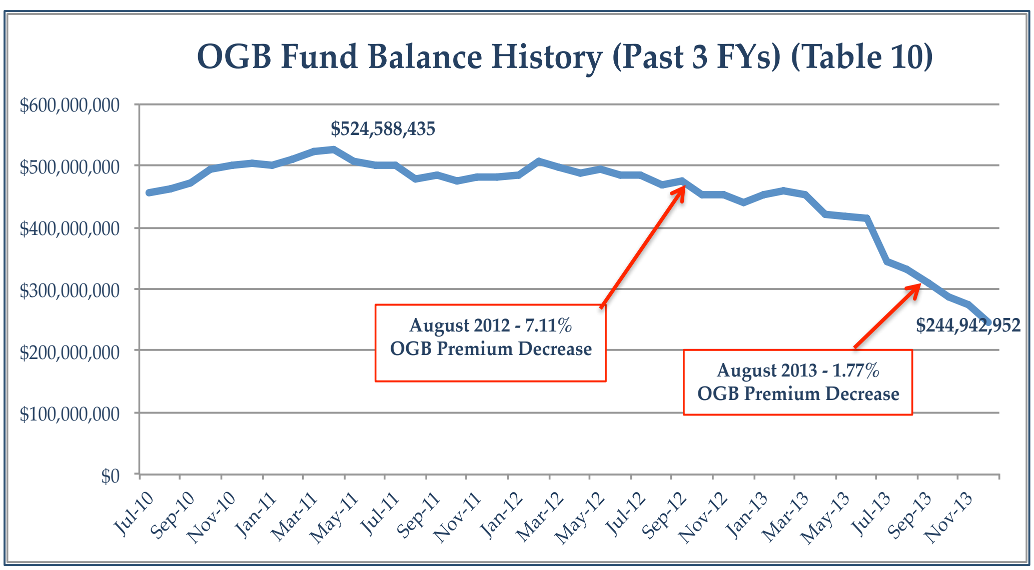
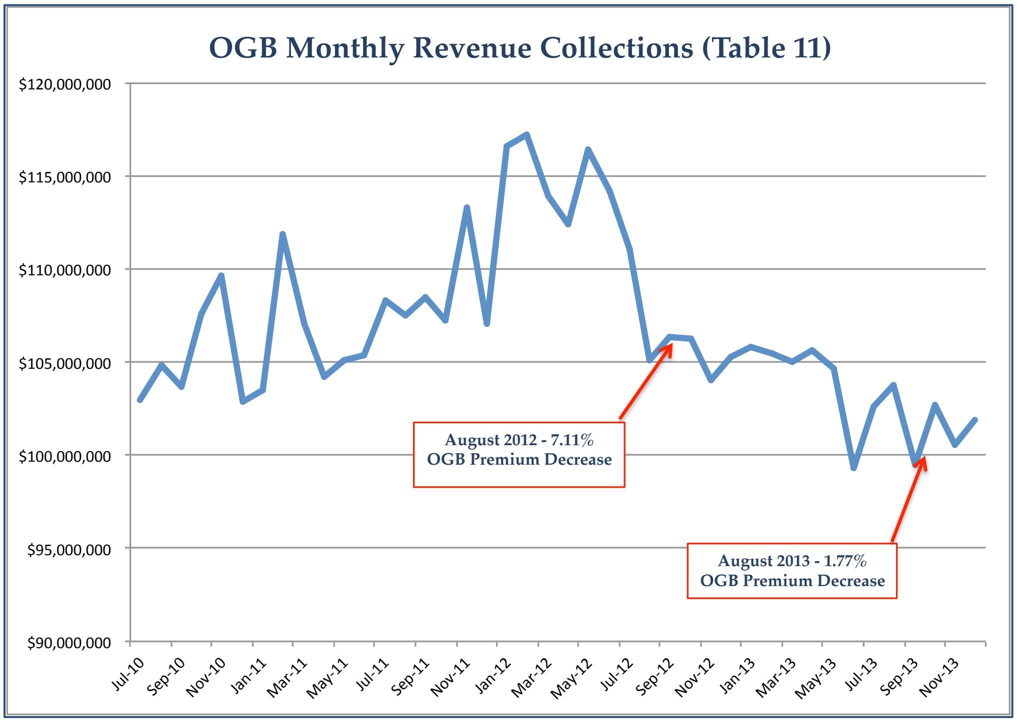
Included within the FY 15 Executive Budget is a 5% increase in OGB premiums for its members that will cost the state $24.2 M ($13.1 M SGF) and will increase the amount paid by its members. According to the Division of Administration (DOA), the 5% increase in premiums will result in a total revenue increase to the OGB in the amount of $56.2 M. The DOA anticipates the $56.2 M to come from: $24.2 M – State agencies, $9.4 M – participating employees and $22.6 M – participating school boards. OGB collected approximately $1.2 B in revenues in calendar year 2013 of which 98% was attributed to premiums. OGB receives its funding from employee contributions (state employee & participating school member and employer contributions (state agencies & school boards). The additional revenues will be utilized to pay for medical claims payments and administrative costs. Based upon the OGB's calendar year 2013 financials, the agency expends approximately 6% of its total revenue collections on administrative costs and the remaining 94% on medical claims payments.



For the past 2 FYs, the budget has included a premium decrease (August 2012 – 7.11%, August 2013 – 1.77%) that has resulted in fewer revenues available for OGB to expend, which has been one of many contributing factors to OGB's fund balance decreasing from approximately $524.6 M in April 2011 to $244.9 M. Table 10 is a representation of the OGB fund from July 2011 to December 2013, while Table 11 (page 6) is an illustration of OGB monthly revenue collections.



Including a premium decrease in the prior two fiscal year's budget allowed state agencies to lower their annual operating costs, thus allowing the state to utilize OGB's fund balance in FY 12 and in FY 13. This situation along with overall medical claims expenditures increasing by approximately 15% has resulted in the decrease in OGB's fund balance. However, due to the TO reorganization of the agency over the past 2 fiscal years, OGB's overall administrative costs have decreased approximately 56% since FY 12. This decrease is due to various TO position reductions and the new third-party administered (TPA) PPO Plan with Blue Cross Blue Shield of LA (BCBS).

Note: Although OGB specific personnel costs have decreased, there is no way for the LFO to specifically determine if the new TPA with BCBS of LA for the PPO plan has resulted in actuarial medical claims savings without doing a specific medical procedure comparisons of costs from the OGB's old PPO provider network to the BCBS provider network. This would require the expertise of an actuary. Overall, OGB's total monthly expenditures (administrative & medical claims total) have increased 21% since FY 11 from average total monthly expenditures of approximately $102.1 M/month to approximately $127.5 M/month through December 2013 in FY 14.

Executive Order BJ 2014 - 1

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On January 15, 2014, the Governor issued Executive Order BJ 2014 – 1, which provides a limited hiring freeze. The order provides for the freeze to achieve at least a $7 M SGF savings in FY 14. Exemptions to the executive order include higher education, direct patient care and direct public safety positions including positions within the Office of Juvenile Justice, new law enforcement cadet classes in Wildlife & Fisheries and LA State Police. As has been done previously, the FY 14 budget will likely be reduced within the impacted budget units in aggregate amount of at least $7 M SGF in the FY 14 Supplemental Appropriations Bill during the upcoming Regular Legislative Session.

Included within the FY 15 Executive Budget Recommendation is an annualized SGF savings of $4.6 M and a TO reduction of 88 positions due to EO BJ 2014-1. The specific savings in the current year (FY 14) will likely not be made known until the FY 14 Supplemental Appropriations Bill is filed.

FY 14 & FY 15 SGF Fiscal Status Comparison

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Table 12 (page 7) is an illustration comparing the current FY 14 SGF Fiscal Status Statement to the FY 15 SGF within the Executive Budget Recommendation.

** The FY 14 Fiscal Status Statement provided by the DOA for the January 2014 JLCB meeting still includes $25.6 M of fiscal note values for two bills from the 2013 RLS as the bills were introduced. As those two bills were enacted, their fiscal notes were only $5.4 M but the status statements were never changed to reflect that reality. This resulted in a positive SGF bottom line rather than a negative one for the first half of FY 14. Now that the REC has met, those enacted values should be incorporated into the base SGF forecast that starts the status statement, and the $25.6 M amount should removed from the statement.*

GENERAL FUND FISCAL STATUS STATEMENT COMPARISON
FY 14 & FY 15 COMPARISON (In Millions) (Table 12)

GENERAL FUND REVENUE	FY 2014 EOB	FY 2015 EXEC. BUDGET	Difference
Revenue Estimating Conference, January 15, 2014	$8,315.900	$8,617.600	$301.700
Revenue Estimating Conference, August 9, 2013 (CF BA-7s)	$21.781	$0.000	($21.781)
Act 14 of 2013 (General Appropriation Bill) - Transfer of Funds	$4.202	$0.000	($4.202)
Act 420 of 2013 (Funds Bill) - Transfer of Funds	$33.702	$0.000	($33.702)
* Acts 423 and 425 of 2013 - tax credit suspension/elimination	$0.000	$0.000	$0.000
Total Available General Fund Revenue	**$8,375.585**	**$8,617.600**	**$242.015**
* *Fiscal impact of these Acts have been incorporated into the FY 14 SGF adopted forecast*			
APPROPRIATIONS AND REQUIREMENTS			
Non-Appropriated Constitutional Requirements			
Debt Service	$324.678	$138.463	($186.216)
Interim Emergency Board	$1.758	$1.758	$0.000
Revenue Sharing	$90.000	$90.000	$0.000
Total Non-Appropriated Constitutional Requirements	**$416.436**	**$230.221**	**($186.216)**
Appropriations			
General (Act 14 of 2013)	$7,767.734	$8,170.777	$403.043
Ancillary (Act 44 of 2013)	$0.000	$0.000	$0.000
Judicial (Act 64 of 2013)	$147.339	$147.339	$0.000
Legislative (Act 74 of 2013)	$69.264	$69.264	$0.000
Capital Outlay (Act 24 of 2013)	$0.000	$0.000	$0.000
Total Appropriations	**$7,984.337**	**$8,387.379**	**$403.043**
Total Appropriations and Requirements	**$8,400.773**	**$8,617.600**	**$216.827**
General Fund Revenue Less Appropriations and Requirements	**($25.188)**	**$0.000**	**$25.188**
Other Adjustments			
Carryforwards adjustments under consideration	$0.000	$0.000	$0.000
FY 13 Revenue not Carried Forward into FY 14	($0.412)	$0.000	$0.412
Total Other Adjustments	($0.412)	$0.000	$0.412
General Fund Revenue Less Appropriations and Requirements after Other Adjustments	($25.600)	$0.000	$25.600

Act 420 of 2013 Update (FY 14 Overcollections Fund & SGF Transfers)
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Act 420 of the 2013 RLS provides for the transfer of various funds and resources into either the Overcollections Fund and/or SGF for FY 14 appropriation. Act 420 of 2013 specifies that such SGF fund transfers will not occur until the FY 14 appropriations have been met. Tables 13 & 14 (page 8) represent outstanding Overcollections Fund and SGF transfers to date. Transfers into the SGF listed in Table 14 (page 8) are included in aggregate in the monthly SGF fiscal status statement presented by the DOA to JLCB. Table 15 (page 8) shows FY 14 Overcollections Fund EOB and expenditures to date.

FY 14 OC Fund Rev. Sources (Table 13)	Anticipated	Collected & Transferred To Date	Left to Collect
FY 14 Beginning Balance	$22,738,497	$22,738,497	$0
Hospital Lease Payments	$140,250,000	$45,171,136	$95,078,864
Legal Settlements	$64,771,871	$23,487,600	$41,284,271
Sale of Pointe Clair Farms	$12,000,000	$12,000,000	$0
Sale of Baton Rouge State Office Bldg.	$10,250,000	$0	$10,250,000
Sale of Southeast Hospital Property	$17,840,000	$0	$17,840,000
Sale of Wooddale Towers	$350,000	$335,325	$14,675
Sale of Hart Parking Garage Property	$2,180,000	$0	$2,180,000
Sale of Various WLF Properties	$2,000,000	$2,000,000	$0
Sale of Greenwell Springs Hospital Property	$0	$0	$0
Sale of Pines Campus Property	$0	$0	$0
Sale of Southern Oaks Addiction Recovery Property	$0	$0	$0
Sale of Bayou Region Property	$0	$0	$0
Sale of MDC Apartment Property	$0	$0	$0
LDR Fraud Initiative	$20,000,000	$11,557,770	$8,442,230
Excess FEMA Reimbursements	$19,950,000	$0	$19,950,000
LDR SGR	$13,132,881	$11,941,920	$1,190,961
Go Zone Bond Repayments	$28,284,500	$23,141,193	$5,143,307
Excess IAT/SGR	$10,000,000	$0	$10,000,000
LA Housing Corporation	$2,000,000	$0	$2,000,000
Self Insurance Fund	$16,000,000	$16,000,000	$0
LPAA	$5,000,000	$5,000,000	$0
LA Fire Marshal Fund	$1,988,106	$0	$1,988,106
2% Fire Insurance Fund	$2,358,715	$0	$2,358,715
Beautification & Improvement of the City of New Orleans City Park Fund	$48,298	$0	$48,298
Compulsive & Problem Gaming Fund	$57,071	$0	$57,071
DOJ Legal Support Fund	$585,598	$0	$585,598
Incentive Fund	$4,000,000	$0	$4,000,000
Marketing Fund	$1,000,000	$1,000,000	$0
Mega-Project Development Fund	$11,300,000	$11,300,000	$0
New Orleans Urban Tourism & Hospitality Training in Economic Development Foundation Fund	$25,019	$25,019	$0
Penalty & Interest Fund	$1,541,440	$1,541,440	$0
Riverboat Gaming Enforcement Fund	$8,605,392	$0	$8,605,392
Transfer from fund to SGF	($5,000,000)	$0	($5,000,000)
TOTAL	$413,257,388	$187,239,900	$226,017,488

SGF Transfers (Table 14)	Anticipated	Transferred to Date	Remaining
Adult Probation & Parole Officer Retirement Fund	$2,000,000	$1,390,308	$609,692
Penalty & Interest Account	$4,158,560	$4,158,560	$0
Community & Family Support System Fund	$22,227	$22,227	$0
DOJ Debt Collection Fund	$212,838	$0	$212,838
Energy Performance Contract	$471,564	$317,388	$154,176
Entertainment Promotion & Marketing	$152,951	$152,951	$0
Environmental Trust	$2,487,146	$2,487,146	$0
Health Care Facility Fund	$847,641	$847,641	$0
LA Filmmakers Grant Fund	$225,638	$225,638	$0
LA Life Safety & Property Protection Trust Fund	$144,435	$0	$144,435
Medical & Allied Health Prof. Ed Scholarship	$106,920	$0	$106,920
Right to Know Fund	$175,500	$0	$175,500
Small Business Surety Bonding Fund	$1,900,000	$1,900,000	$0
Tax Commission Expense Fund	$48,978	$48,978	$0
Tobacco Tax Health Care Fund	$233,334	$0	$233,334
Variable Earnings Transaction Fund	$18,405	$18,405	$0
Vital Records Conversion Fund	$4,243	$4,243	$0
Riverboat Gaming Enforcement Fund	$5,800,000	$0	$5,800,000
Overcollections Fund	$5,000,000	$0	$5,000,000
Medical Assist. Program Fraud Detection Fund	$7,021,271	$0	$7,021,271
Higher Ed Initiatives Fund	$267	$0	$267
Private Investigator Examiners Fund	$76	$0	$76
LA Fire Marshal Fund	$791,745	$0	$791,745
2% Fire Insurance Fund	$1,878,117	$0	$1,878,117
TOTAL	$33,701,856	$11,573,485	$22,128,371

Schedule (Table 15)	Agency Name	FY 14 EOB	FY 14 Exp. To Date	Unexpended
01-111	Governor's Office of Homeland Security & Emergency Preparedness	$21,250	$21,250	$0
01-112	Military Department	$500,000	$0	$500,000
04-DOJ	Attorney General	$4,563,971	$996,762	$3,567,209
07-DOTD	Transportation & Development	$36,000,000	$7,542,296	$28,457,704
08-DPS	State Police	$84,796	$80,271	$4,525
11-DNR	Natural Resources (Judgment)	$4,104,286	$4,104,286	$0
12-REV	Revenue Department	$3,950,000	$2,201,833	$1,748,167
19-LSU	LSU Board of Supervisors	$143,575,155	$37,001,011	$106,574,144
19-LSUHCSD	Healthcare Services Division	$20,000,000	$4,446,945	$15,553,055
19-SU	Southern University Board of Supervisors	$27,466,779	$11,047,176	$16,419,603
19-UL	University of LA Board of Supervisors	$104,952,012	$15,948,134	$89,003,878
19-BOR	LA Board of Regents	$5,917,489	$899,201	$5,018,288
19-LUMCON	LA Universities Marine Consortium	$977,910	$148,600	$829,310
19-LCTCS	LA Technical & Community Colleges Board of Supervisors	$56,709,705	$14,485,857	$42,223,848
19-BESE	Board of Secondary & Elementary Education	$69,405	$10,547	$58,858
20-945	State Aide to Local Governments	$3,720,247	$2,705,858	$1,014,389
20-950	Judgments/Special Acts	$6,495,602	$3,639,446	$2,856,156
TOTAL		$419,108,607	$105,279,473	$313,829,134

EDUCATION

FY 15 Higher Education Funding

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Table 16	FY14 w/o Hospitals	FY 15	Change FY14 w/o Hospitals to FY15
SGF	$524,340,934	$900,075,117	$375,734,183
IAT	$14,093,574	$14,985,191	$891,617
SGR	$1,278,597,027	$1,373,431,742	$94,834,715
ST DED	$590,669,343	$231,982,145	($358,687,198)
FED	$105,132,730	$101,532,604	($3,600,126)
TOTAL	$2,512,833,608	$2,622,006,799	$109,173,191

Table 16 reflects the recommended budget for FY 15 compared to the FY 14 Existing Operating Budget (EOB). *The table removes funding for the following hospitals from the FY 14 EOB for higher education: Shreveport Medical Center, E. A. Conway Medical Center, and H. P. Long Medical Center. The table removes funding for these hospitals from higher education's FY 14 budget to provide a consistent funding comparison because the hospitals were privatized and are funded in DHH's budget in FY 15.*

Student Scholarship for Education Excellence Program (SSEEP)
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The Student Scholarship for Education Excellence Program (SSEEP) was created in 2008 to offer a quality education for all LA children, particularly for those children in school systems that have been declared to be in academic crisis in Orleans Parish. The program provided eligible students with state funded scholarships to attend participating non-public or public schools that meet the program requirements. The program was expanded in FY 13 to include students in all parishes statewide.

FY 14 budget totals $43.1 M SGF. There are 6,775 students enrolled in the program with an average student tuition of $5,311.

The FY 15 recommended budget totals $46.1 M in SGF reflecting a $3.03 M increase. There is a corresponding decrease in the MFP of $6.9 M as a result of these students moving out of the MFP and into the SSEEP. The total student enrollment is projected at 8,130 with an average tuition of $5,577.

State support for the institutions of higher learning is essentially at a standstill level.

Institutions
The budget includes a MOF swap replacing $294.3 M in Overcollections Funds with SGF. While the FY 14 line item appropriations totaling $47.5 M were eliminated, new funding in a like amount has been recommended. This includes $7 M SGF and $33 M from the Overcollections Fund for a total $40 M enhancement for the Workforce and Innovation for a Stronger Economy (WISE) Fund. According to an announcement by the Governor on January 21, 2014, the money in the fund will be made available to state research institutions that produce nationally recognized commercial research and to state colleges and universities that partner with private industry to produce graduates with 4 and 5 STAR job ready degrees. To receive funds, institutions will have to partner with private industry by recruiting at least a 20% private match in cash or in-kind, such as technology and equipment. No additional information is available at this juncture on how the funds would be allocated to the various institutions.

Additionally, $2 M SGF is appropriated for Science, Technology, Engineering & Math (STEM) program at Universities in the Southern System and facility and technology upgrades at Grambling State University and $6.1 M from the Overcollections Fund to address equity for some schools, which have experienced rapid growth in recent years. No information is available on which schools would be impacted and to what extent, however the Board of Regents anticipates it will be able to provide projections in the near future.

Finally, the budget includes a total increase of $87.7 M in SGR for tuition increases in accordance with LAGrad Act Performance Agreements. Institutions are impacted by several issues in determining the extent to which these funds can be fully generated; some institutions are close to the SREB tuition cap and may not be able to raise the full 10% amount, some institutions have seen fluctuations in enrollment which reduce the amount generated, and some institutions may choose not to impose the full 10% increase in order to maintain access for low income students. Further analysis will be required to determine the extent of these and other impacts.

TOPS/GO GRANTS
For FY 15, TOPS is funded at $235 M; $158.4 M SGF and $76.7 M from the TOPS Fund. This reflects an increase of $17.6 M primarily associated with tuition increases. A means of financing swap replaces non-recurring TOPS Fund with SGF ($67.3 M). GO Grants remain funded at the current level of $26.3 M.

FY 15 Minimum Foundation Program (MFP)
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The Minimum Foundation Program (MFP) provides for an equitable distribution of state funds to local school districts. The MFP constitutes the major source of state funding to local schools. For FY 14, the MFP is funded at $3.5 B ($3.3 B in SGF and $262.9 M in Statutory Dedications from the SELF ($107.3 M) and Lottery Proceeds Fund $155.6 M). The 2.75% increase was not included in the FY 14 MFP. However, the SGF amount cited above includes a line item appropriation of $69 M that provided additional funds to be allocated in the same manner as the MFP formula. At least 50% of the increase in funds from this appropriation was to be used for teacher pay raises; and at least 70% was to be used on Instruction in accordance with the Department of Education's (DOE) 70% Instructional Expenditure Requirement.

In August 2013, the State Board of Elementary & Secondary Education (BESE) convened the MFP Task Force to provide an advisory recommendation for the 2014-2015 MFP. The Task Force, represented by a cross-section of education stakeholders, met between September and December to discuss various issues relative to the formula including costs, local revenue availability and funds distribution. The Task Force adopted the final recommendations in December. The Task Force concluded that a long- term study should be undertaken, led and/or supported by financial and policy experts to restructure the MFP for greater clarify, accountability, efficiency and effectiveness. In terms of the 2014-2015 MFP, the Task Force recommended increases for: 1) Career Education to provide funding to target career courses that align with the state's economy and projected workforce needs; 2) Special Education to double the size of the High Risk Pool to provide additional targeted funds for serving such students; including $4 M to fund students with “tier three” disabilities. 3) Course Choice to provide subsidies for those courses such as dual enrollment, TOPS Core, Advanced Placement, career and technical courses provided in professional or technical college settings and remedial programs; and 4) Technology to assist schools in attaining the technology readiness goals established by the DOE; and; 5) 2.75% Adjustment to fund increases related to retirement, salaries, special education, and technology, among other costs; further that use of such increase be unrestricted.

While BESE will not consider these recommendations until the March 2014 meeting, the FY 15 Executive Budget does include additional funding of $12 M in SGF to provide for the first 4 recommendations of the Task Force. The 2.75% adjustment is not included in the FY 15 Executive Budget.

The FY 15 MFP recommendation totals $3.54 B; $3.25 B of which is SGF and $292.1 M in Statutory Dedications from the SELF ($118.9 M) and Lottery Proceeds Fund ($172.3 M). Along with the $12 M increase for MFP Task Force recommendations, adjustments include an increase of $25.6 M in SGF to support the projected net student increase of 5,354 students and a reduction of $6.8 M to reflect the transfer of 1,355 from the MFP to the Student Scholarship for Education Excellence Program (SSEEP) (Scholarship Program). Finally, SGF was reduced by $29.2 M and replaced with Statutory Dedications from the SELF and the Lottery Proceeds Fund pursuant to the most recent Revenue Estimating Conference projections.

REVENUE

Major Revenue Collections Summary, January 2014, FY 14 (Adjusted For Amnesty Receipts)
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Seven cash months of collections have been received since this fiscal year began, with approximately the first month’s worth of those collections posted back to FY 13 for certain revenues. Thus, for many revenues, six accrual months have actually been collected for FY 14. Five of these months have included amnesty receipts that have been backed out of this report to obtain a more accurate assessment of current base collections activity. The FY 14 Forecast Growth Rate is the projected growth as of the 1/15/14 REC meeting. Major receipts’ collection performance so far is:

MAJOR REC REVENUE SUMMARY, FY 2013-14
January 2014, Adjusted For Amnesty Receipts

Revenue Source	Current Month *	% Chg Same Month PY	FYTD (Jul - Jun) *	% Chg FYTD PY cash **	% Chg FYTD PY acc **	FY14 Forecast	FY14 Forecast Growth Rate
Income	$378.7	-6.9%	$1,870.1	1.9%	0.9%	$2,811.5	2.1%
Sales, General	$254.1	0.6%	$1,536.9	0.9%	2.9%	$2,609.9	1.1%
Corporate	-$9.5	-67.6%	$10.5	-91.3%	-46.8%	$279.5	-16.9%
Severance	$64.8	-8.3%	$487.1	1.8%	1.1%	$850.5	0.4%
Royalty	$34.5	-11.8%	$287.3	10.8%	5.2%	$524.1	7.3%
Gaming	$51.2	-7.1%	$339.8	0.3%	0.3%	$623.1	0.7%
Sales, Vehicle	$26.6	-17.9%	$203.9	6.3%	5.4%	$355.6	3.0%
						1/15/14 REC	

* millions of $
** cash = July through June collections, acc = July through June less accrual to prior year

Income tax had a strong finish to FY 13, coming in at a 10.8% growth rate, with much of that occurring during the spring filing/payment period. The 5/15/13 REC captured much of this but actual performance still bested that forecast. Across much of the country this surge has been attributed to the acceleration of income into 2012 in order to avoid federal tax increases effective 1/1/13. This attribution was supported by withholdings collections that finished with a more normal 5.7% growth. This suggests that this surge should not be expected to continue through FY 14. Through January, collections are only 0.9% to 1.9% ahead of prior year, and only the single month of September has shown any outsized growth this fiscal year. The forecast growth rate for FY 14 is modest, but current collections are below that forecast. In addition, the FY 13 surge will have to be controlled for and it will be difficult for collections this spring to beat those of last year. It is possible that even this modest growth forecast will not be exceeded. The growth forecast for FY 15 is 4.3%; also a modest forecast. However, it is double the rate for FY 14, and weak current performance implies a reduced base from which to grow. Thus, the FY 15 forecast may also be in jeopardy.

Sales tax experienced a second year of essentially no improvement in FY 13, finishing with only 0.1% growth. This further suggests that the income tax finish is not likely to be a sustained event, and continues to suggest cautious conditions within households and businesses. Collections through January have been 0.9% to 2.9% ahead of prior year, but this is also essentially due to the single month of September. December holiday sales were weak, as evidenced by the year-over-year rise of only 0.6% in January receipts. The forecast growth rate for FY 14 is only 1.1%, but year-to-date growth performance has steadily declined and is actually below that forecast on a cash-month basis. Thus, the FY 14 forecast for this tax may also be in jeopardy. In addition, while the growth forecast for FY 15 is only 1.4%, the possibility of a weaker than anticipated base in the current year calls into question the FY 15 forecast, as well.

Vehicle sales tax finished strong in FY 13 with 10.2% growth (essentially the same as the growth in FY 12), and collections have done well this fiscal year until January receipts. This latest month was weak enough to cut the year-to-date growth rates, both cash and accrual, by nearly half. A bad month for collections is not a trend, and the sharp weakness exhibited in January receipts may only reflect an aberration. However, we do have to be aware that this narrow big-ticket sector can turn on a dime, and optimism for continued double-digit growth has to be tempered. The FY 14 growth forecast is modest at only 3%, but this one weak month dropped actual performance close to that and, if not met, an obvious problem for FY 15 occurs, as well.

Corporate tax collections looked very strong through much of FY 13, but then abruptly dropped off in the accrual period at the end of the year, finishing 10.1% behind the prior year and below the modest forecast for the year. Once again the tax proved that the monthly collections say little about what the annual total will be. The forecast growth rate for FY 14 is for 16.9% absolute drop in collections, while year-to-date growth through January is 47% to 91% behind the prior year. With amnesty receipts backed out, only the month of November (when returns under extension are typically reconciled) has bested the prior year. Thus, it seems that the big net payment period of April – June will have to be relied upon to reach the FY 14 forecast for this tax. Another drop of 4% is forecast for FY 15, but optimism for even that result is questionable at this point.

Severance tax was essentially flat in FY 13 (-0.1% growth), but this was still better than the expectation of a larger drop. Spot oil prices for state crude averaged $109/bbl in FY 13, compared to the forecast price of $94/bbl, explaining much of the good performance. For FY 14, the oil price forecast is currently $99.80/bbl, and the natural gas severance tax rate is also lower in FY 14 at 11.8¢/mcf (down from 14.8¢/mcf in FY 13). The dollar forecast calls for only 0.4% revenue growth, a seemingly easy forecast to achieve or beat. However, collections through January are only 1.1% to 1.8% ahead of prior year, with year-to-date growth performance steadily declining much of the year. What optimism had existed for this tax and forecast earlier in the fiscal year has deteriorated, and this forecast also appears in jeopardy for FY 14.

Royalty receipts also finished FY 13 better than expected but still down 5.2% compared to the prior year. In the current year, gas prices have remained weak, except for some strength related to recent cold weather, and oil prices have been fairly stable. While collections through November were well ahead of forecast growth, they have disappointed in the last two months. Year-to-date performance has dropped off considerably, and on an accrual basis is now below forecast growth. Optimism for these receipts has also deteriorated, and the FY 14 forecast for royalty receipts may be in jeopardy, as well.

Gaming receipts from riverboats, video poker, and racetrack slots finished FY 13 at 0.9% growth; modest growth but better than FY 12. Collections accelerated through September, primarily on the strength of riverboats, but have fallen back since then in all three sectors. The riverboat segment is the only component exhibiting positive growth, but it has had negative months, as well. The forecast growth rate for these three components as a group is modest at less than 1%, and is currently being beaten only by riverboat. This has not been enough to keep the combined group over forecast, though. Sustained positive spending growth across these discretionary consumer sectors as a group has yet to be observed, and the current forecast is not quite being met.

Overall, collections for FY 13 finished stronger than expected by some $175 million, reflecting 2.6% revenue growth from FY 12. While a positive experience, that growth is actually a deceleration from the growth in FY 12 of 3.8%, and from FY 11 of 8.3%. In addition, the excess collections included surprise components that may not be sustained in FY 14. The largest gain was in personal income tax reflecting a surge in the spring due to a likely one-time acceleration of income for federal tax purposes. Mineral revenue gains were actually smaller declines than expected and price stability means the outlook is tempered for growth. The good news on sales tax also involved smaller than expected declines rather than consistent positive growth. FY 13 performance also surprised on the upside in various agency receipts (a catchall for numerous unspecified receipts), which may increase a forecast moving average but cannot be relied upon for a sustained higher level of collections. Premium tax also finished well in FY 13, although new credits were passed in the 2013 session that will affect that tax in FY 14 and beyond. Finally, corporate tax disappointed in FY 13, and cannot be relied upon for growth in FY 14.

As for FY 14, cautious optimism that may have existed in the early months of the fiscal year has evaporated with the removal of amnesty data from corporate receipts, and weak base receipts in other taxes. General sales tax has been weak all year, and a sharp slowdown in vehicle sales taxes may be beginning. Personal income tax has been volatile but exhibiting underlying weakness, as well, especially in the important withholding component. Mineral revenue growth has slowed markedly, and gaming is essentially flat. General fund earnings are also running well behind forecast. Only the premium tax is a material general fund contributor that is still well ahead of forecast, but in total is not nearly large enough to offset other weakness. Forecasts for the current year are generally very modest, but the collections trend is not one of strengthening. This is worrisome for the current year and the ensuing year, as well. The spring is where much of the annual forecast will be met or not for much of the collections base, especially corporate tax and increasingly personal income tax. Upside surprises can happen, as evidenced by the 2012 spring, but the weakness exhibited so far this fiscal year means the spring has to be that much stronger just to make forecast, much less to give optimism for upward revisions to the forecasts for next year and beyond.

HEALTH & HOSPITALS

FY 15 Medicaid Budget

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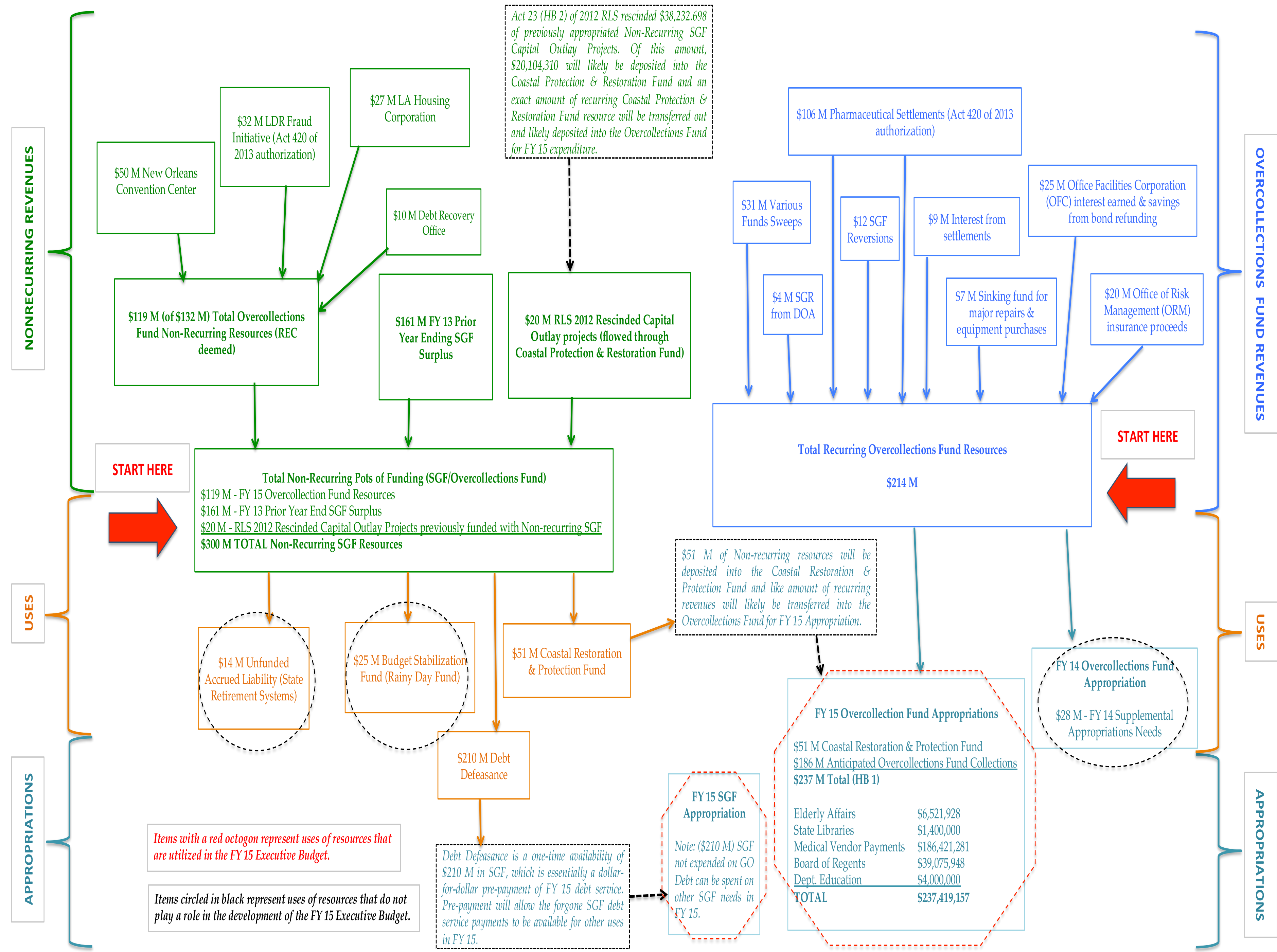
The Medicaid Budget Request and Continuation Budget reflect in excess of $500 M in additional State General Fund (SGF) need to fully fund current and projected Medicaid expenditures for FY 15. The most significant factors contributing to the need for additional SGF include the replacement of non-SGF revenue sources used as state match, a decrease in the Federal Medical Assistance Percentage (FMAP) from 62.96% to 62.06%, and projected utilization increases in pharmacy and within the Private Provider program. A decrease in the FMAP and replacement of non-SGF revenue used as match sources in FY 14 are being requested as means of finance swaps just to maintain FY 14 base services in the Medicaid program (additional SGF added will not result in additional Medicaid expenditures over the base Medicaid budget). The significant items requested are reflected below:

SGF need associated with significant items requested in Medicaid for FY 15
$200 M - Amnesty revenue replacement
$56.8 M - FMAP changes
$52.7 M - Replacing other non-SGF revenue sources used as match or revenues not materialized in FY 14
$19.1 M - Pharmacy growth
$56.3 M - Private Provider utilization growth
$30.8 M - Mandated costs associated with Applied Behavior Analysis services
$10.9 M - Clawback
$25.1 M - Long Term Care Personal Care Services (LT-PCS) Enrollment Growth

The FY 15 Executive Budget reflects a decrease of $61.6 M in SGF. Although SGF support decreased, total funding for Medicaid (Medical Vendor Payments) in FY 15 increased by $348 M. The State General Fund decrease is largely the result of adding approximately $240 M more in non-state general fund match sources than utilized in FY 14 (additional Amnesty revenues and Overcollections Fund revenues). The FY 15 Executive Budget partially solved the SGF need with the following various adjustments.

$186.4 M - Increased statutory dedicated funding (reduced SGF by a like amount) from the Overcollections Fund used as state match
$262.4 M - Added $263 M in additional Amnesty revenues to be used as state match
$56.8 M - Added SGF to address FMAP decrease
$51.6 M - Replacing other non-SGF revenue sources with SGF
$17.6 M - Pharmacy growth
$6.4 M - Private Provider utilization growth
$10.1 M - Mandated costs associated with Applied Behavior Analysis services
$10.9 M - Clawback
$9.9 M - Long Term Care Personal Care Services (LT-PCS) Enrollment Growth
$4.4 M - Alvarez and Marsal SGF reduction as a result of implementing certain efficiencies
$6.9 M - SGF savings associated with DHH efficiencies (implementing a triage rate, eliminating payments for elective deliveries before 39 weeks, and managed care savings through implementation of a retrospective payment system)

Note: The Department of Health and Hospitals requested $157 M in total funding ($56.3 M SGF) for projected private provider utilization in the FY 15 Budget Request for Medicaid. The Executive Budget recommends approximately $16 M ($6.4 M) for FY 15, or approximately $140 M less than requested.


NONRECURRING REVENUES
$50 M New Orleans Convention Center
$32 M LDR Fraud Initiative (Act 420 of 2013 authorization)
$27 M LA Housing Corporation
$10 M Debt Recovery Office
$119 M (of $132 M) Total Overcollections Fund Non-Recurring Resources (REC deemed)
$161 M FY 13 Prior Year Ending SGF Surplus
$20 M RLS 2012 Rescinded Capital Outlay projects (flowed through Coastal Protection & Restoration Fund)
Act 23 (HB 2) of 2012 RLS rescinded $38,232,698 of previously appropriated Non-Recurring SGF Capital Outlay Projects. Of this amount, $20,104,310 will likely be deposited into the Coastal Protection & Restoration Fund and an exact amount of recurring Coastal Protection & Restoration Fund resource will be transferred out and likely deposited into the Overcollections Fund for FY 15 expenditure.
START HERE
Total Non-Recurring Pots of Funding (SGF/Overcollections Fund)
$119 M - FY 15 Overcollection Fund Resources
$161 M - FY 13 Prior Year End SGF Surplus
$20 M - RLS 2012 Rescinded Capital Outlay Projects previously funded with Non-recurring SGF
$300 M TOTAL Non-Recurring SGF Resources
USES
$14 M Unfunded Accrued Liability (State Retirement Systems)
$25 M Budget Stabilization Fund (Rainy Day Fund)
$51 M Coastal Restoration & Protection Fund
$210 M Debt Defeasance
$51 M of Non-recurring resources will be deposited into the Coastal Restoration & Protection Fund and like amount of recurring revenues will likely be transferred into the Overcollections Fund for FY 15 Appropriation.
APPROPRIATIONS
Items with a red octogon represent uses of resources that are utilized in the FY 15 Executive Budget.
Items circled in black represent uses of resources that do not play a role in the development of the FY 15 Executive Budget.
Debt Defeasance is a one-time availability of $210 M in SGF, which is essentially a dollar-for-dollar pre-payment of FY 15 debt service. Pre-payment will allow the forgone SGF debt service payments to be available for other uses in FY 15.
FY 15 SGF Appropriation
Note: ($210 M) SGF not expended on GO Debt can be spent on other SGF needs in FY 15.
OVERCOLLECTIONS FUND REVENUES
$106 M Pharmaceutical Settlements (Act 420 of 2013 authorization)
$31 M Various Funds Sweeps
$4 M SGR from DOA
$12 SGF Reversions
$9 M Interest from settlements
$7 M Sinking fund for major repairs & equipment purchases
$25 M Office Facilities Corporation (OFC) interest earned & savings from bond refunding
$20 M Office of Risk Management (ORM) insurance proceeds
Total Recurring Overcollections Fund Resources
$214 M
START HERE
FY 15 Overcollection Fund Appropriations
$51 M Coastal Restoration & Protection Fund
$186 M Anticipated Overcollections Fund Collections
$237 M Total (HB 1)
Elderly Affairs $6,521,928
State Libraries $1,400,000
Medical Vendor Payments $186,421,281
Board of Regents $39,075,948
Dept. Education $4,000,000
TOTAL $237,419,157
FY 14 Overcollections Fund Appropriation
$28 M - FY 14 Supplemental Appropriations Needs
USES
APPROPRIATIONS